

Workforce News



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Mountainland: Summit, Utah, Wasatch

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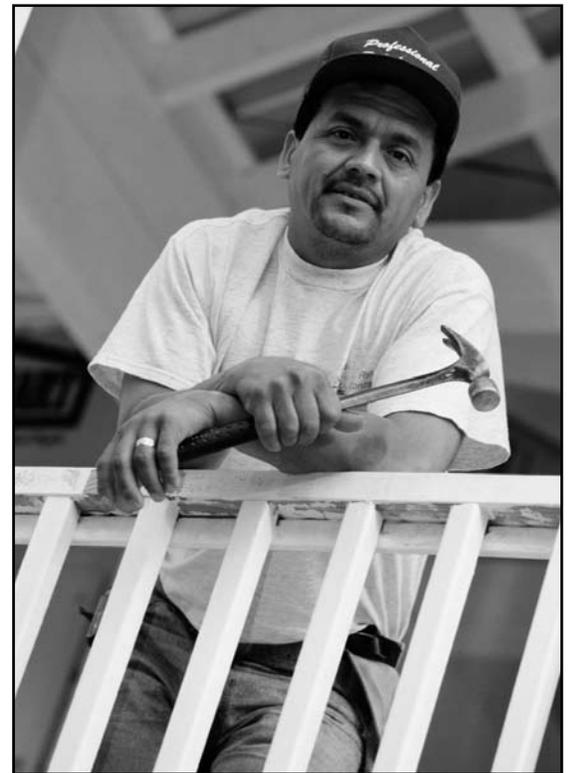
Economic Contraction

The present economic contraction in the Mountainland counties of Summit, Utah, and Wasatch arrived in May of 2008. The labor market is now characterized by increasing unemployment and year-over nonfarm job losses, as the economy contracts across the majority of major industrial sectors.

Overall, in 2008, the average annual number of payroll jobs decreased by 816 to 214,236, or 0.4 percent. In 2007 the average number of jobs was 215,052 or 11,134 higher than in the previous year.

The robust economic expansion of 2005 and 2006 gradually slowed during 2007 and through the first five months of 2008 in the Mountainland counties. At the beginning of 2008, jobs were increasing on a year-over basis by about 1.8 percent, this rate gradually declining to virtually no new jobs by May—with only 74 additional year-over jobs compared to total May employment of 210,895.

Year-over job losses were recorded since June 2008 at greater rates, so that by December there were 5,854 fewer jobs than in December of 2007, a decline of 2.6 percent.



Inside:

- **Summit:** Employment took a real dive in the last two months of 2008.
- **Utah:** Job losses from a year earlier totaled 4,170 in Dec. 2008
- **Wasatch:** Unemployment has increased to levels last seen in the summer of 2004.



Contact the author, your regional economist, with any questions on content:

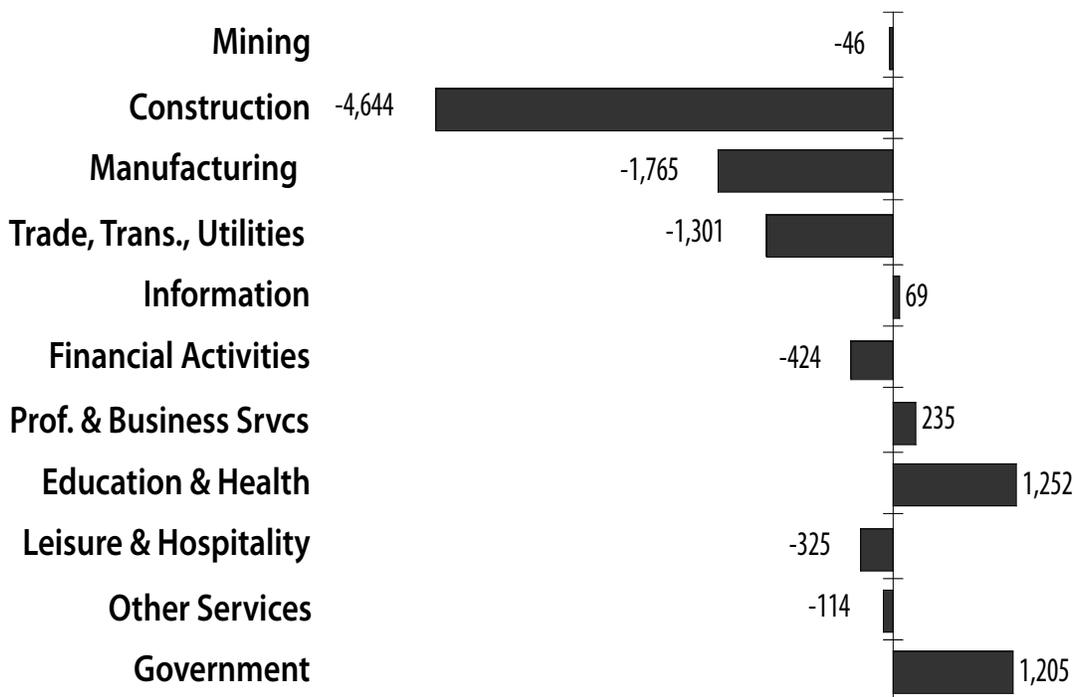
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Economic Contraction (continued)

MountainLand Counties Change in Nonfarm Jobs: Dec. 2007 to Dec. 2008*



* preliminary

Source: Utah Department of Workforce Services.

2008 Total Change in Nonfarm Jobs: -5,854.

The level of unemployment has increased from a very low annual average rate of 2.6 percent in 2007 to average 3.3 percent in 2008. By March of 2009 the seasonally adjusted unemployment rate had increased to 4.9 percent in the Mountainland region. There were an estimated 12,449 residents unemployed in March 2009 compared to 8,261 in March of 2008.

In 2007, employers who had found it difficult to fully staff their enterprises are now finding the labor supply relatively abundant. With just a few exceptions, busi-

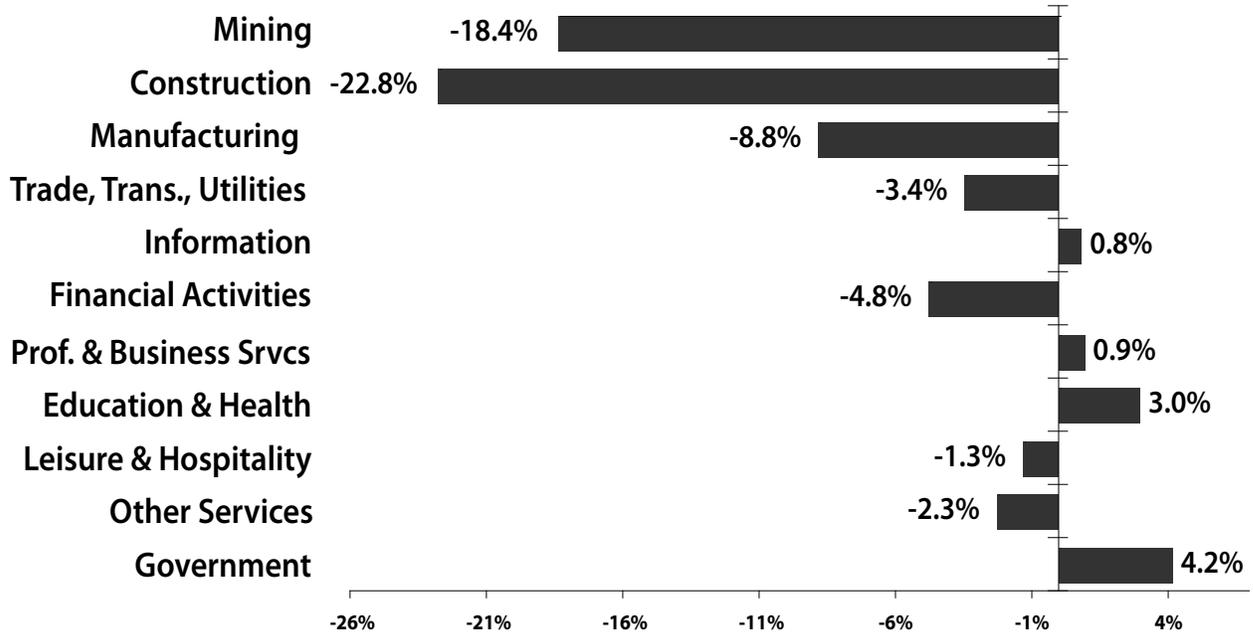
nesses are now able to easily hire from many qualified applicants for any open positions.

The bursting of the national and local housing bubbles, with sharp declines in construction jobs, has primarily driven the current recession. Construction job losses on a year-over basis became apparent at the start of 2008, and became more severe during the year. By December 2008 there were 4,644 fewer construction jobs, or a decline of 22.8 percent compared to the year before. Industries related to home

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Economic Contraction (continued)

MountainLand Counties Percent Change in Nonfarm Jobs: Dec. 2007 to Dec. 2008*



* preliminary

Source: Utah Department of Workforce Services.

Percent Change in Total Nonfarm Jobs: -2.6%.

construction—real estate, finance, manufacturing of construction materials, sales of building material and furnishings—all saw their business deteriorate along with the home construction collapse.

Finally, with the national financial meltdown, most industries were shedding jobs in the fourth quarter of 2008 except for healthcare, education, government, and professional scientific and technical services.

The labor market outlook for 2009 continues to be contractionary through the first five or six months of this year. Job losses are continuing, but at a slower rate. Unemployment will likely continue to increase, reaching six percent or more by mid-summer. With help from national and state stimulus efforts and with the natural propensity of this area to grow and expand, business and employment should stop contracting by the end of summer. **WFN**

County News

Utah County:

The year-over job growth rate in Utah County continued a downward slide in the fourth quarter of 2008. Year-over employment declined by 2.2 percent in December 2008 with the loss of 4,170 jobs.

On average for 2008, the economy in Utah County sustained job losses for the first time in five years. Total nonfarm jobs decreased by about 0.6 percent, averaging employment reductions of 1,084 for the year compared to 2007. The total number of payroll jobs in the county was 184,966.

In December 2008 significant job losses occurred in construction (minus 3,939 jobs) a decrease of about 23.7 percent compared to 2007. Other industries with a significant number of lost jobs were manufacturing (minus 1,727) and trade, transportation, and utilities (minus 735). Industries that added significant number of jobs from December 2007 to December 2008 were local government (plus 959), private education (plus 625) and healthcare (plus 490).

In 2008, the unemployment rate averaged just 3.2 percent. The recession has resulted in the seasonally adjusted unemployment rate increasing to 4.9 percent by March 2009. There were 10,804 residents of Utah County unemployed in March 2009, compared to 7,265 in March 2007.

Summit County:

In 2008, the unemployment rate averaged just 3.2 percent, increasing from 2.6 percent in 2007. The rate has increased in recent months to reach 4.7 percent in March 2009. There were 1,035 residents of Summit County unemployed in March of 2008, out of a total labor force estimate of 22,093.

Total employment took a real dive in the last two months of 2008. Construction and leisure/hospitality had rather substantial employment losses in December 2008 compared to a year earlier, falling by 423 and 327 respectively. The finance industry also had a year-over decline of 113 jobs. Significant jobs gains were recorded in healthcare (plus 74), local government (plus 67) and private education (plus 32).

Wasatch County:

In 2008, the unemployment rate averaged just 3.5 percent, increasing from 2.7 percent in 2007. With the recession the unemployment rate has increased to a seasonally adjusted rate of 5.6 percent in March 2009. There were 610 residents of Wasatch County unemployed in March, compared to 350 a year earlier.

Two industries account for most job losses in Wasatch County, construction (minus 282) and leisure/hospitality (minus 137) in December 2008 compared to year-ago levels. Three industries supplied some job increases—professional and business services, local government, and healthcare. **WFN**

What's Up?

January sales tax receipts, compared with January 2008, were down by a higher percentage in **Park City** than in any other Utah city, save Hurricane in Washington County, according to a report by Salt Lake City-based consulting firm Bonneville Research. That analysis, which does not include food and beverage sales, is based on data provided by the State Tax Commission, according to the firm's vice president, Jonathan Springmeyer. When food and beverage sales are rolled in, overall retail business in Utah's premier ski town was down 18.8 percent, according to Bret Howser, Park City's budget officer. Although the numbers for February and March aren't yet in, they are expected to be similar to January's decline, Howser said. That's a big drop—about \$23 million in taxable sales for January, alone.

—*Salt Lake Tribune*

The final draft of a **master plan to revitalize Utah Lake** is done and ready for a review.

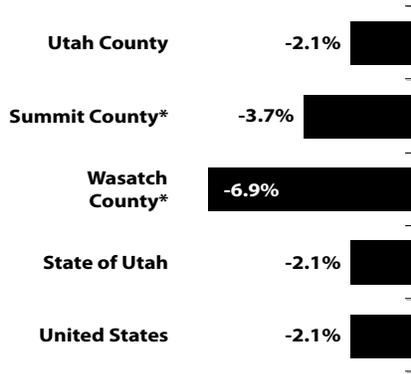
Larry Ellertson, vice chairman of the Utah Lake Commission, says the plan to restore Utah's largest natural freshwater lake and expand recreational opportunities has to go through a 45-day review. The commission voted last week to accept the master plan, which has been under development for the past year. The plan proposes developing access to the lake for boating and fishing; creating a bicycle and hiking trail; eliminating invasive carp; and restoring native species.

—*Deseret News*

The nation's second-largest shopping mall owner, **General Growth Properties**, filed for Chapter 11 bankruptcy protection to restructure its \$27-billion debt. General Growth owns more than 200 malls in the U.S. The company's Utah portfolio includes Cache Valley Mall in Logan, the Cottonwood Mall in Holladay, Newgate Mall in Ogden, the Provo Towne Center, Red Cliffs Mall in St. George and Fashion Place Mall in Murray.

—*Deseret News*

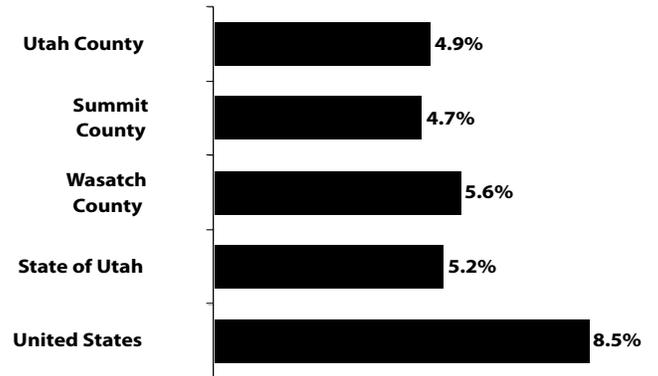
**Percent Change in Nonfarm Jobs
December 2007 to December 2008**



*The year-over growth rates do not include retail trade to help correct for some misallocation of jobs between these two counties from 2007 to 2008.

Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

**Seasonally Adjusted Unemployment Rates
March 2009**



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

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